

# Philippine National Bank

Company Brief  
December 2019



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# About PNB



- **Philippine National Bank is one of the country's largest private universal banks in terms of assets, loans and deposits.**
- **It provides a full range of banking and other financial services to its highly diverse clientele comprised of individual depositors, small and medium enterprises, domestic and international corporations, government institutions, and overseas Filipinos.**
- **PNB has 715 branches and 1,626 ATMs strategically located nationwide. The Bank maintains its position as the Philippine bank with the most extensive international reach with 71 overseas branches, representative offices, remittance centers and subsidiaries across Asia, Europe, the Middle East, and North America.**
- **Backed by over a century of stability and excellence, PNB looks forward to more years of serving its customers first.**



# Products and Services



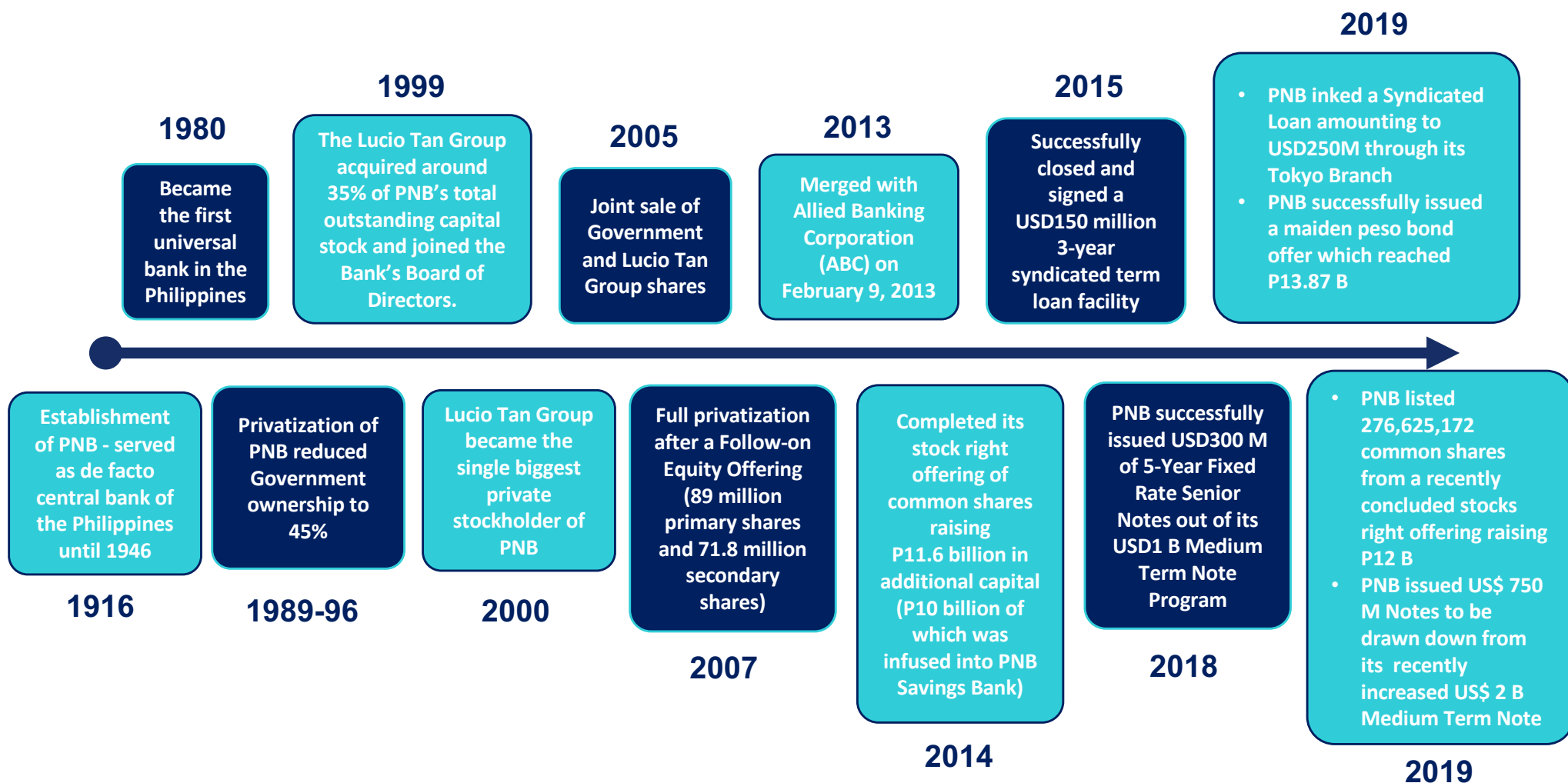
- PNB provides a full range of quality products and services to a wide customer base:

Branch Banking	Retail Lending	Institutional Banking	Trust & Wealth Mgmt	Treasury Services	Remittance Services
<ul style="list-style-type: none"><li>• Deposit Accounts</li><li>• e-Banking Services</li><li>• Cash Management Solutions</li></ul>	<ul style="list-style-type: none"><li>• Home Loans</li><li>• Auto Loans</li><li>• Salary Loans</li><li>• SMEs</li><li>• OPHL</li></ul>	<ul style="list-style-type: none"><li>• Corporate &amp; Middle Market</li><li>• Trade Finance</li><li>• Financial Institutions</li></ul>	<ul style="list-style-type: none"><li>• UITFs</li><li>• Personal Trust</li><li>• Corporate Trust</li><li>• PNB Wealth Management</li></ul>	<ul style="list-style-type: none"><li>• Fixed Income Investments</li><li>• Foreign Exchange Services</li><li>• Interest Rate Swaps</li></ul>	<ul style="list-style-type: none"><li>• Sending/Receiving</li><li>• Global Filipino Card</li><li>• Overseas Bills Payment</li></ul>

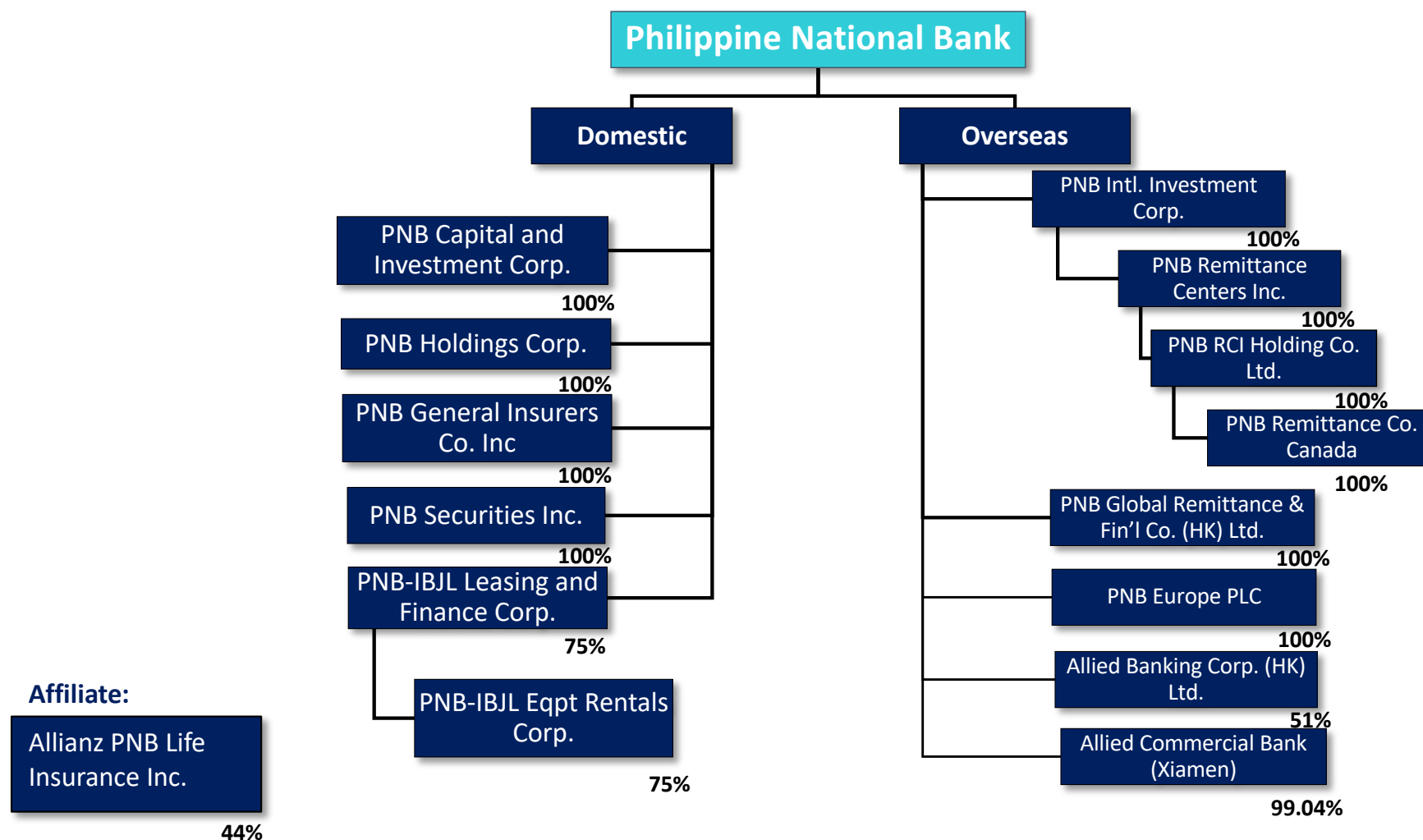
- Through its subsidiaries and affiliate, the Bank also engages in:

Insurance	Investment Banking	Stock Brokerage	Leasing
<ul style="list-style-type: none"><li>• Non-life insurance</li><li>• Life Insurance</li></ul>	<ul style="list-style-type: none"><li>• Underwriting</li><li>• Distribution of Securities</li><li>• Financial Advisory</li><li>• Project Finance</li><li>• Loan Syndication</li></ul>	<ul style="list-style-type: none"><li>• Equities Trading</li><li>• Stock Market Research</li></ul>	<ul style="list-style-type: none"><li>• Financial Leases</li><li>• Operating Leases</li><li>• Receivable Discounting</li></ul>

# Major Milestones

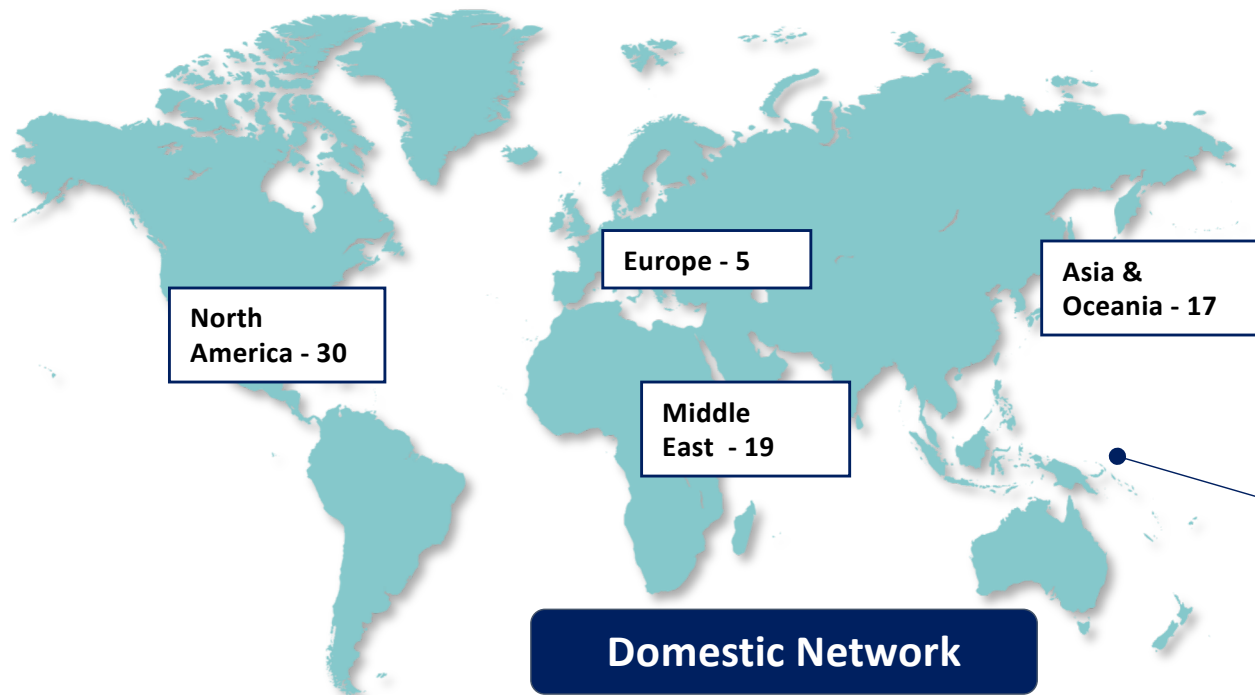


# PNB Subsidiaries and Affiliates



\*Last March 1, 2020, PNB integrated its wholly-owned thrift bank subsidiary, PNB Savings Bank (PNBSB), into the Parent Bank through acquisition of its assets and assumption of its liabilities in exchange for cash.

# Market Reach



## Global Network

**71** offices in **17** countries

**505** correspondent banks

## Domestic Network

**715** branches in the Philippines

**1,626** ATMs nationwide

### Branch Distribution:

**62%** outside Metro Manila

As of Dec 2019

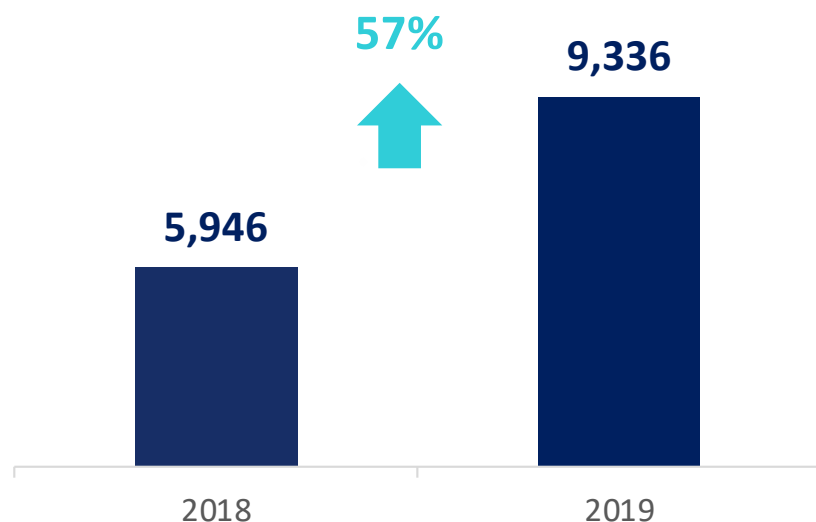
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# Net Income & Balance Sheet

## Net Income (without ROPA)

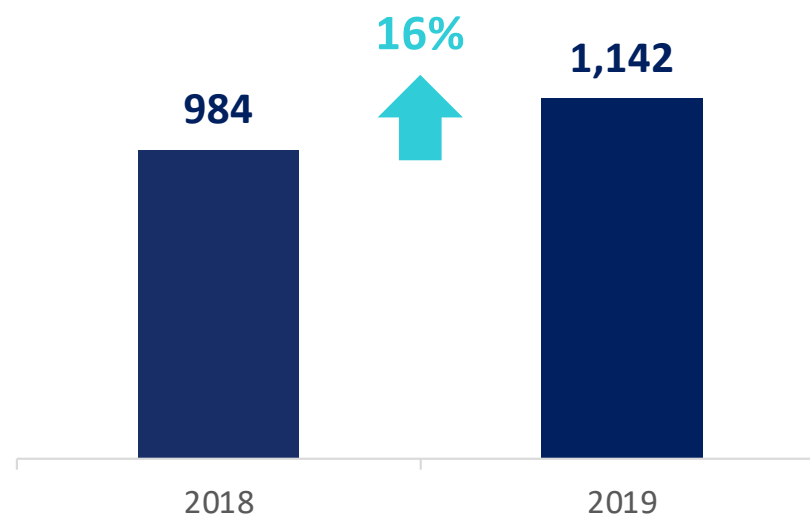
In Php Millions



- Core profitability boosted by solid growth in recurring income & increase in trading and foreign exchange gains
- Reported net income of P 9,761 M in FY 2019 grew by 2% from P 9,556 M in FY 2018

## Balance Sheet

In Php Billions



- Steady growth in assets was driven by sustained momentum in core lending and deposit – taking activities

# FY 2019 P&L



	PNB Consolidated		
(in PHP million)	FY 2019	FY 2018	% Change
Interest Income	50,599	36,075	40.3%
Interest Expense	18,155	9,011	101.5%
<b>NET INTEREST INCOME</b>	<b>32,444</b>	<b>27,065</b>	<b>19.9%</b>
Fee-Based and Other Income	8,668	11,857	-26.9%
Net Service Fees and Commission Income	4,188	3,486	20.1%
Other Income	4,238	8,435	-49.8%
<b>TOTAL OPERATING INCOME</b>	<b>41,112</b>	<b>38,922</b>	<b>5.6%</b>
Admin and Operating Expense	25,969	23,926	8.5%
Income Before Provisions	15,142	14,996	1.0%
Provision for impairment and credit losses	1,753	2,910	66.0%
Provision for Income Tax	2,471	3,687	-33.0%
<b>NET INCOME</b>	<b>9,761</b>	<b>9,556</b>	<b>2.1%</b>
Return on average equity (ROE)	6.9%	7.7%	
Return on average assets (ROA)	0.9%	1.1%	
Net Interest Margin (NIM RATE)	3.3%	3.3%	
Cost efficiency ratio	63.2%	61.0%	

# FY 2019 BALANCE SHEET



	PNB Consolidated		
(in PHP million)	FY 2019	FY 2018	% Change
Cash / Due from BSP & Other Banks	179,073	151,800	18.0%
Investment Securities	239,592	183,636	30.5%
Loans and Receivables	657,924	586,666	12.1%
Property & Equipment	21,169	19,725	7.3%
Investment Properties	15,044	13,489	11.5%
Other Assets	29,489	28,331	4.1%
<b>TOTAL ASSETS</b>	<b>1,142,291</b>	<b>983,648</b>	<b>16.1%</b>
Deposit Liabilities	826,045	733,301	12.6%
Bonds Payable	66,615	15,661	325.3%
Bills & Acceptances Payable	55,963	70,083	-20.1%
Other Liabilities	38,691	36,043	7.3%
<b>TOTAL LIABILITIES</b>	<b>987,315</b>	<b>855,089</b>	<b>15.5%</b>
<b>TOTAL EQUITY</b>	<b>154,975</b>	<b>128,559</b>	<b>20.5%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,142,291</b>	<b>983,648</b>	<b>16.1%</b>
Loans/Deposits	78.9%	78.3%	
Total CAR	14.8%	14.4%	

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# Board of Directors



**Florencia G. Tarriela**

*Chairman/Independent Director*

- Serves as director of multiple PNB subsidiaries
- Director of Bankers Association of the Philippines
- Former Undersecretary of Finance



**Edgar A. Cua**

*Independent Director*

- Independent Director of PNB Capital and Investment Corp.
- Independent Director of Allied Commercial Bank, Xiamen
- Director of Davao Unicar Corp.



**Lucio C. Tan**

*Director*

- Chairman and CEO of LT Group, Inc.
- Chairman and CEO of PAL Holdings, Inc.
- Chairman and CEO of MacroAsia Corp.



**Felix Enrico R. Alfiler**

*Vice Chairman/Independent Director*

- Serves as director of multiple PNB subsidiaries
- Former Director of the BSP



**Estelito P. Mendoza**

*Director*

- Director of Philippine Airlines, Inc.
- Director of Petron
- Director of San Miguel Corporation
- Practicing lawyer for more than 60 years



**Michael G. Tan**

*Director*

- President and COO of LT Group, Inc.
- Director of PAL Holdings, Inc.
- Director of Victorias Milling Company, Inc.



**Jose Arnulfo "Wick" A. Veloso**

*President and CEO/ Director*

- Director of Allianz-PNB Life Insurance, Inc.
- Director of Asian Bankers Association Inc. BancNet, Inc., European Chamber of Commerce, Phils., Phil. Payments Management Inc.,
- Former President and CEO of HSBC,
- Former President of the Money Market Association of the Phils.
- Former Director and Chairperson of the Open Market Committee of BAP
- Former Director of PDEX.



**Christopher J. Nelson**

*Director*

- Executive Director of the British Chamber of Commerce of the Philippines
- Trustee of the American Chamber Foundation of Commerce of the Phil., Inc.
- Trustee of the Philippine Band of Mercy
- Trustee of the Federation of the Philippine Industries Inc.
- Trustee of Dualtech Training Foundation



**Vivienne K. Tan**

*Director*

- Director of LT Group, Inc., PAL Holdings, Inc., MacroAsia Corporation, University of the East, University of the East Ramon Magsaysay Medical Center, Eton Properties Phils, Inc.
- Director and EVP/Treasurer & Chief Administrative Officer of Philippine Airlines
- Founding Trustee of Philippine Center for Entrepreneurship (Go Negosyo)



**Florido P. Casuela**

*Director*

- Chairman of PNB Securities, Inc.
- Vice Chairman of PNB Savings Bank
- Senior Adviser of the Bank of Makati (A Savings Bank), Inc.
- Former President of Landbank of the Phil., Maybank & Surigao Micro Credit Corp.



**Federico C. Pascual**

*Independent Director*

- Serves as director of multiple PNB subsidiaries
- Former President and General Manager of GSIS
- Former Director/President & CEO of Allied Banking Corp.



**Sheila K. Tan-Pascual**

*Director*

- Marketing and Development Officer of Allied Banking Corporation Hong Kong
- Former Marketing and Development Officer of Asia Brewery Inc.



**Leonilo G. Coronel**

*Director*

- Independent Director of Megawide Construction Corp.
- Independent Director of DBP-Daiwa Capital Markets Phil.
- Former Executive Director of BAP



**Carmen K. Tan**

*Director*

- Director of MacroAsia Corp.
- Director of LT Group, Inc.
- Director of PAL Holdings, Inc.



**Domingo H Yap**

*Independent Director*

- President of H-Chem Industries, Inc., DHY Realty & Dev't, Inc., Colorado Chemical Sales Corp., Universal Paint & Coating Phils., Inc., Alliance Land Dev't Corp.
- Former President of Federation of Filipino-Chinese Chambers of Commerce & Industries, Inc.

# Senior Management



**Jose Arnulfo "Wick" A. Veloso**  
*President and CEO of the Bank since 2018*



**Cenon C. Audencial Jr.**  
**EVP**  
Head of the Institutional Banking Sector



**Roberto D. Baltazar**  
**EVP**  
Head of Global Banking and Markets Sector



**Chester Y. Luy**  
**EVP**  
Head of the Strategy Sector and Wealth Management Group



**Aida M. Padilla**  
**EVP**  
Head of the Enterprise Services Sector



**Nelson C. Reyes**  
**EVP**  
Chief Financial Officer



**Isagani A. Cortes**  
**EVP**  
Chief Compliance Officer



**Jose German M. Licup**  
**FSVP**  
Chief of Staff to the President and CEO



**Maria Paz D. Lim**  
**FSVP**  
Corporate Treasurer



**Nanette O. Vergara**  
**FSVP**  
Chief Credit Officer



**Manuel C. Bahena, Jr.**  
**SVP**  
Chief Legal Counsel



**Socorro D. Corpus**  
**SVP**  
OIC - Human Resource Group



**Claro P. Fernandez**  
**SVP**  
Head of Public Affair Group



**Marie Fe Liza S. Jayme**  
**SVP**  
Head of Operations Group



**Ma. Adelia A. Joson**  
**SVP**  
OIC - Retail Banking Sector



**Michael M. Morillos**  
**SVP**  
Head of the Information Technology Group



**Rommel B. Narvaez**  
**SVP**  
OIC - Marketing and Brand Management Sector



**Roland V. Oscuro**  
**SVP**  
Chief Information Security Officer



**Norman Martin C. Reyes**  
**SVP**  
Head, Digital Innovations Group



**Joy Jasmin R. Santos**  
**FVP**  
Chief Trust Officer & Head of Trust Banking Group



**Martin G. Tengco Jr.**  
**FVP**  
Chief Audit Executive



**Simeon T. Yap**  
**FVP**  
Chief Risk Officer

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# Recent Awards



## ***International Finance Awards (2019)***

“Fastest Growing Bank for Consumer Loans Philippines 2018”



## ***The Asset triple A Country Awards (2019)***

- “Best Syndicated Loan Award” (Bloomberry Resorts and Hotels syndicated term loan facility)
- “Most Innovative Deal Award” (Ayala Land’s retail bonds)
- “Best Acquisition Financing” (Clark Global City Corp)



## ***CMO Asia Awards (2019)***

“Brand Leadership Award”



## ***SSS Balikat ng Bayan Awards (2019)***

“Best Paying Commercial Bank”



# Recent Awards



***Recognized by the Philippine Institute of Corporate Directors (2019)*** as among the top-performing publicly listed companies under the ASEAN Corporate Governance Scorecard



***Philippine Dealing System Awards (2019)***

“Ranked Top 3 Issue Managers/Arrangers (Investment House Category)”



***Investment House Association of the Philippines (2019)***

“Best Small-cap Equity Deal”



***Asian Banker Philippine Country Awards (2018)***

“Consumer Finance Product of the Year” (PNBSB’s Smart Personal Loan)

# Disclaimer



Unless otherwise noted, the financial data contained in these materials are presented under Philippine Financial Reporting Standards. Unless otherwise specified, all the financial information is shown on a consolidated basis.

Information concerning financial institutions other than the Bank and its subsidiaries are based on publicly available information and the Bank has not independently verified such data.

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